



655 Fifteenth Street, NW, Suite 225  
Washington, DC 20005

balljanik.com

t 202.638.3307  
f 202.783.6947

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December 29, 2011

Karl Morell  
Of Counsel  
kmorell@balljanik.com

BY HAND DELIVERY

Cynthia Brown  
Chief, Section of Administration  
Surface Transportation Board  
Office of Proceedings  
395 E Street, SW  
Washington, DC 20423

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DEC 29 2011

**SURFACE  
TRANSPORTATION BOARD**

Re: STB Finance Docket No. 35578, Birmingham Terminal  
Railway, L.L.C. -- Acquisition Exemption -- Birmingham  
Southern Railroad Company

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified  
Notice of Exemption under 49 C.F.R. § 1150.31 and a check  
covering the \$1,800 filing fee. Also enclosed is a Disc containing  
the Notice and Summary.

If you have any questions, please contact me.

Sincerely,

Karl Morell  
Of Counsel

Enclosures

RECEIVED  
DEC 29 2011  
MANAGEMENT  
STB

BEFORE THE  
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35578

BIRMINGHAM TERMINAL RAILWAY, L.L.C.  
--ACQUISITION EXEMPTION--  
BIRMINGHAM SOUTHERN RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

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TRANSPORTATION BOARD

KARL MORELL  
Of Counsel  
BALL JANIK LLP  
Suite 225  
655 Fifteenth Street, N.W.  
Washington, D.C. 20005  
(202) 638-3307  
  
Attorney for:  
BIRMINGHAM TERMINAL  
RAILWAY, L.L.C.

Dated: December 29, 2011

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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STB FINANCE DOCKET NO. 35578

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BIRMINGHAM TERMINAL RAILWAY, L.L.C.  
--ACQUISITION EXEMPTION--  
BIRMINGHAM SOUTHERN RAILROAD COMPANY

---

VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

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Birmingham Terminal Railway, L.L.C. ("BHRR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit BHRR to acquire from Birmingham Southern Railroad Company ("BS") the rail lines currently owned and operated by BS.

In support of this Notice of Exemption, BHRR submits the following information as required by 49 C.F.R. § 1150.33:

(a) Full name and address of applicant:

Birmingham Terminal Railway, L.L.C.  
315 W. 3<sup>rd</sup> Street  
Pittsburg, Kansas 66762

(b) Applicant's Representative:

Karl Morell  
Of Counsel  
BALL JANI LLP  
Suite 225  
655 Fifteenth Street, N.W.  
Washington, DC 20005  
(202) 638-3307

(c) Statement of Agreement:

BHRR and BS have entered into a Sale Agreement.

(d) The operator of the property:

BHRR will be the operator of the acquired rail lines.

(e) Summary of proposed transaction:

BHRR is a new, wholly owned, non-carrier subsidiary of Watco Holdings, Inc. ("Watco"). In this proposed transaction, BHRR will acquire from BS approximately 75.59 miles of rail lines. BS, a subsidiary of Transtar, Inc., is a Class III terminal and switching carrier. *See* STB Finance Docket No. 33942, *USX Corporation – Control Exemption – Transtar, Inc.* (not printed), served November 30, 2000.

(1) The name and address of the railroad selling the subject property:

Birmingham Southern Railroad Company  
c/o Transtar, Inc.  
1200 Penn Avenue  
Suite 300  
Pittsburgh, PA 15222

(2) The involved transaction is expected to be consummated some time after the effective date of this Notice.

(3) BHRR will acquire and operate all tracks currently owned by BS, including all sidings and yard tracks located between: (1) Milepost 0.0, at 34<sup>th</sup> Street, in Ensley,

Alabama, and Milepost 4.7, at East Thomas, Alabama; (2) Milepost 0.0, at 34<sup>th</sup> Street, in Ensley, Alabama, and Milepost 9.8, at Bessemer, Alabama; and (3) Milepost 0.0, at the Port Connection Switch at Crawford Street, in Fairfield, Alabama, and Milepost 18.85, at Birmingham, Alabama.

(4) The length of the rail lines being acquired is approximately 75.59 miles.

(f) A map of the rail lines being acquired is attached as Exhibit A.

(g) BHRR hereby certifies that this transaction will not result in BHRR becoming a Class II or Class I rail carrier. Upon consummation of this transaction, BHRR will become a Class III terminal and switching carrier. *See* 49 C.F.R. Part 1201, General Instructions 1-1 (d). The projected annual revenue of BHRR will exceed \$5 million. Consequently, BHRR has complied with the notice requirements of 49 C.F.R. § 1150.32(e). BHRR certified its compliance with Section 1150.32(e) on December 2, 2011. A copy of the certification is attached as Exhibit B.

(h) The Sale Agreement between BHRR and BS does not contain any provision that prohibits BHRR from interchanging traffic with a third party or limits BHRR's ability to interchange with a third party.

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

#### **ENVIRONMENTAL AND HISTORIC IMPACTS**

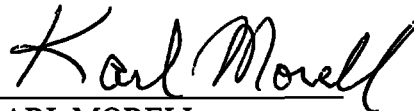
BHRR is acquiring the rail lines from BS for continued rail operations. Further Board approval is required for BHRR to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

BHRR's acquisition of the rail lines will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor

carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. BHRR's acquisition and operation of the rail lines will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,



KARL MORELL  
Of Counsel  
BALL JANI LLP  
Suite 225  
655 Fifteenth Street, N.W.  
Washington, DC 20005  
(202) 638-3307

Attorney for:  
BIRMINGHAM TERMINAL RAILWAY, L.L.C.

Dated: December 29, 2011



*Birmingham Southern Railroad Co.*

*The Birmingham Connection*





655 Fifteenth Street, NW, Suite 225  
Washington, DC 20005

balljanik.com

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f 202.783.6947

## EXHIBIT B

December 2, 2011

Karl Morell  
Of Counsel  
kmorell@balljanik.com

### E-FILE

Cynthia Brown  
Chief, Section of Administration  
Surface Transportation Board  
Office of Proceedings  
395 E Street, SW  
Washington, DC 20423

Re: STB Finance Docket No. 35578, Birmingham Terminal  
Railway, L.L.C. -- Acquisition Exemption -- Birmingham  
Southern Railroad Company

Dear Ms. Brown:

Birmingham Terminal Railway, L.L.C. ("BHRR"), hereby certifies that on December 1, 2011, BHRR posted the attached Notice at the workplace of the employees of Birmingham Southern Railroad Company ("BS") and on December 2, 2011, BHRR served a copy of the Notice on the national offices of all labor unions with employees working on the BS.

If you have any questions regarding this matter, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive, flowing style.

Karl Morell  
Of Counsel

Enclosure



## NOTICE

**Birmingham Terminal Railway, L.L.C. ("BHRR")** will acquire all Tracks owned by Birmingham Southern Railroad Company, an Alabama corporation, including sidings and yard tracks. The rail lines are located between: (1) Milepost 0 at 34th street, Ensley, Alabama and Milepost 4.7 at East Thomas, Alabama; (2) Milepost 0 at 34th Street, Ensley, Alabama and Milepost 9.8 at Bessemer, Alabama; and (3) Milepost 0, at the Port Connection Switch at Crawford Street, Fairfield, Alabama and Milepost 18.85 at Birmingham, Al.

Total Track Miles of 75.59 Miles.

**As a result of operating the freight portion of the rail line, BHRR expects to have employment opportunities in the following areas:**

***Freight Operation:***

Approximately 88 positions in Birmingham, AL. These positions require the following minimum skills and/or qualifications:

***General Manager:***

1 Position located in Birmingham, Al. This position requires the following minimum skills and/or qualifications:

- Prefer College degree in Management.
- Must have at least 5 - 10 years of railroading experience in a supervisory and/or managerial role.
- Ability to enhance and/or develop, implement and enforce policies and procedures of the organization by way of systems that will improve the overall operation and effectiveness of the corporation.
- Plan, develop, organize, implement, direct and evaluate the organization's fiscal function and performance.
- Ensure sound operating procedures according to FRA and Corporate Safety rules.
- A decisive individual who possesses a "big picture" perspective and is well versed in operational standards.
- Must ensure that emphasis is placed on a strong Customer Focus.

***Assistant General Manager:***

1 Position located in Birmingham, Al. This position requires the following minimum skills and/or qualifications:

- Prefer College degree in Management.
- Must have at least 5 - 10 years of railroading experience in a supervisory and/or managerial role.

- Manage operating activities to satisfy customer needs for timely, accurate, safe and value-added transportation and switching service.
- Manage operating and financial resources to achieve a specified level of revenue growth, return on invested capital and free cash flows.
- Organize, communicate, position, evaluate, and develop people in the organization to achieve defined results.

***Train Masters:***

Approximately 4 positions as follows: Birmingham, Al (4). These positions require the following minimum skills and/or qualifications:

- Supervises and coordinates activities of train crews engaged in switching/RR operations.
- Must possess a high school education or GED, and a minimum of 6 months job-related experience; or equivalent combination of education and experience.
- Must possess a valid Engineer's certificate issued by a program in compliance with 49 CFR Part 240.
- Must be able to meet all hearing and vision requirements of 49 CFR Part 240.
- Must have an understanding of air brake and mechanical systems of a train and locomotives, and pass a written test to verify competency.

***Yardmaster:***

Approximately 5 position in Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Manage yard activities all across railroad. Dispatch trains as needed.
- At least 1 year experience as yardmaster/dispatcher.
- Must have qualification on General Code of Operating Rules (GCOR) and have passed a written test within the past 18 months.
- Must have understanding of railroad operations.
- Must possess a high school education or GED, college preferred.

***Conductor:***

Approximately 20 positions in Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- At least 1 year experience as a Conductor/Brakeman.
- Must have Qualifications on the General Code of Operating Rules (GCOR) and have passed a written test in the past 18 months.
- Must have an understanding of air brake and mechanical systems of a train and locomotives, and pass a written test to verify competency.

***Engineer:***

Approximately 20 positions in Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- At least 1 year experience as a Locomotive Engineer.
- Must possess a valid Engineer's certificate issued by a program in compliance with 49 CFR Part 240.
- Must be able to meet all hearing and vision requirements of 49 CFR Part 240.

- Must have an understanding of air brake and mechanical systems of a train and locomotives, and pass a written test to verify competency.

***Clerks:***

Approximately 5 positions located in Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Involved in day to day record keeping, billing, filing, and typing and general office duties.
- Must possess a high school education or GED, and a minimum of 6 months job-related experience; or equivalent combination of education and experience.
- This position will be accountable to all managers within the operation and is responsible for office coordination of activities.
- Other duties as assigned.

***Chief Mechanical Officer:***

1 position located in Birmingham, AL. This position requires the following minimum skills and/or qualifications:

- Directly supervise shop craft employees to safely execute shop operating plan.
- Ensure labor and equipment is positioned to inspect, test and repair equipment to meet the needs of the daily plan.
- Must have previous mechanical department or equivalent industry experience.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Comply with all FRA and Watco safety standards.
- Other duties as assigned.

***Locomotive Electrical:***

Approximately 4 positions located in Birmingham. These positions require the following minimum skills and/or qualifications:

- Make repairs and perform scheduled maintenance to both inbound and outbound locomotives.
- Must have knowledge of and comply with FRA standards.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Prefer background in technical training in Electrical maintenance/repair.
- Demonstrated knowledge and ability in using required hand and power tools.

***Locomotive Mechanical:***

Approximately 4 positions located in Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Make repairs and perform scheduled maintenance to both inbound and outbound locomotives.

- Must have knowledge of and comply with FRA standards.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Prefer background in technical training in Diesel maintenance/repair.
- Demonstrated knowledge and ability in using required hand and power tools.

***Roadmaster:***

1 position located in Birmingham, AL. This position requires the following minimum skills and/or qualifications:

- Supervises all track, structure and signal maintenance on railroad.
- Plan and implement maintenance programs and capital projects.
- Instructs work force on safety compliance and mandated programs.
- Must possess 5 years experience in Railroad Track Maintenance.

***Track Inspector:***

2 position located in Birmingham, AL. This position requires the following minimum skills and/or qualifications:

- Responsible for supervision of rail car inspection and maintenance in accordance with FRA standards.
- Inspect railroad track structure for compliance with railroad policy and federal/state regulations.
- Implement remedial action on defects pending repair.
- Oversee/direct production gang work.
- Inspect completed work to verify conformance to government regulations.
- Prepare inspection reports for management and government compliance.
- Must possess 3 years supervisory experience in Railroad Track Maintenance.

***MoW Foreman:***

Approximately 2 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Responsible for performing maintenance of way activities in accordance with site specific rules, governed by FRA regulations.
- Safely directing track construction and maintenance repairs
- Follows guidelines for proper maintenance of track equipment and comply with applicable FRA track safety standards and Roadway Worker Protection.
- Must possess 3 years supervisory experience in Railroad Track Maintenance.

***MoW laborer:***

Approximately 10 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Perform tasks associated with track work including but not limited to, pulling and driving spikes, replacing ties, surfacing track, changing rail, bars, and other track apparatus.
- Must be willing to learn and apply FRA rules and regulations and be able to perform maintenance in a timely manner.

- Must be willing to learn to operate in a safe and efficient manner, all equipment and tools associated with track maintenance.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

***MoW Operator:***

Approximately 3 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Perform tasks associated with track work including but not limited to, pulling and driving spikes, replacing ties, surfacing track, changing rail, bars, and other track apparatus.
- Must be willing to learn and apply FRA rules and regulations and be able to perform maintenance in a timely manner.
- Must be willing to learn to operate in a safe and efficient manner all equipment and tools associated with track maintenance.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

***Welder:***

Approximately 1 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Weld metal parts together using both gas welding or brazing and any combination of arc welding processes.
- Perform related tasks such as thermal cutting and grinding.
- Repair broken or cracked parts, fills\ holes, and increase size of metal parts.
- Familiar with AAR office manual, ability to identify AAR/FRA when present on railcars.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

***Welder Helper:***

Approximately 1 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Weld metal parts together using both gas welding or brazing and any combination of arc welding processes.
- Perform related tasks such as thermal cutting and grinding.
- Repair broken or cracked parts, fill holes, and increase size of metal parts.
- Familiar with AAR office manual, ability to identify AAR/FRA when present on railcars.
- Must possess a high school education or GED, and a minimum of 6 months job-related experience; or equivalent combination of education and experience.

***Signal Maintainer:***

Approximately 2 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Responsible for installing, testing, troubleshooting, repairing and maintaining various railroad signals and grade crossing warning device equipment.

- Loading and unloading supplies, digging holes and trenches for cable, painting signal equipment, and climbing and working on poles and signal masts. Could also handle cable and wire and make electrical connections.
- Safely and effectively operate non-power tools, high precision measuring tools, power tools and low precision measuring tools.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

***Car Supervisor:***

1 position located in Birmingham, Al. This position requires the following minimum skills and/or qualifications:

- Directly supervise shop craft employees to safely execute shop operating plan.
- Ensure labor and equipment is positioned to inspect, test and repair equipment to meet the needs of the daily plan
- Must have previous mechanical department or equivalent industry experience.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Comply with all FRA and Watco safety standards.
- Other duties as assigned.

***Carmen Foreman:***

Approximately 2 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications::

- Responsible for supervision of rail car inspection and maintenance in accordance with FRA and AAR standards.
- Familiar with AAR office manual, ability to identify AAR/FRA when present on railcars.
- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.
- Comply with all FRA and Watco safety standards.
- Other duties as assigned.

***Carmen:***

Approximately 12 positions as follows: Birmingham, AL. These positions require the following minimum skills and/or qualifications:

- Maintain, replace and/or repair air brake pipes, valves, gaskets, air hoses and other equipment as required.
- Inspect outlet gates on hopper cars and air dumps for defects and ensures they are properly secured.
- Operate electrical and gas welding equipment to join a variety of metals and alloys; operate acetylene torches for cutting and/or shaping metal parts such as aluminum, cast iron, steel, bronze, etc. Operate specialized off-highway motor vehicles including forklift trucks, mobile cranes, trackmobiles, and ship tractors.
- Familiar with AAR office manual, ability to identify AAR/FRA when present on railcars.

- Must possess a high school education or GED, and a minimum of 12 months job-related experience; or equivalent combination of education and experience.

The most qualified candidates will be selected from the available pool of applicants without regard to race, creed, color, religion, national origin, sex, age, marital status, disability or veteran status. The selection criteria will be job-related skills and attributes as outlined above.

Successful candidates must have a stable work record and exhibit safe work practices. The ability to work in a team environment with a focus on customer service is critical. Applicants must be able to read and comprehend regulations and instructions in English, as well as possess good oral communication skills. Successful applicants will be required to pass a pre-employment drug and alcohol screen and complete a medical questionnaire. Every employee is an at-will employee. All employees are expected to know and abide by the standard code of Employee Conduct.

All jobs will be posted at [www.watcocompanies.com](http://www.watcocompanies.com) or information can be obtained by calling Human Resource department at (866) 479-2826.

**Birmingham Terminal Railway  
315 W. 3<sup>rd</sup> Street  
Pittsburg, Kansas 66762**

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

STB FINANCE DOCKET NO. 35578

BIRMINGHAM TERMINAL RAILWAY, L.L.C.  
--ACQUISITION EXEMPTION--  
BIRMINGHAM SOUTHERN RAILROAD COMPANY

Birmingham Terminal Railway, L.L.C. ("BHRR"), a non-carrier, has filed a notice of exemption to acquire from Birmingham Southern Railroad Company ("BS") all tracks currently owned by BS, including all sidings and yard tracks located between: (1) Milepost 0.0, at 34<sup>th</sup> Street, in Ensley, Alabama, and Milepost 4.7, at East Thomas, Alabama; (2) Milepost 0.0, at 34<sup>th</sup> Street, in Ensley, Alabama, and Milepost 9.8, at Bessemer, Alabama; and (3) Milepost 0.0, at the Port Connection Switch at Crawford Street, in Fairfield, Alabama, and Milepost 18.85, at Birminghamport, Alabama.

This transaction is related to STB Docket No. 35579, Watco Holdings, Inc. -- Continuance In Control Exemption – Birmingham Terminal Railway, L.L.C., wherein Watco Holdings, Inc., has concurrently filed a verified notice to continue in control of BHRR upon BHRR becoming a Class III terminal and switching carrier.

Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 655 Fifteenth Street, N.W., Washington, DC 20005, (202) 638-3307. This notice is filed under 49 C.F.R. 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C.



10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

## VERIFICATION

STATE OF KANSAS

)

)

ss.

COUNTY OF CRAWFORD


)

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Assistant Secretary of Birmingham Terminal Railway, L.L.C., that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

  
Arthur E. McKechnie, III

SUBSCRIBED AND SWORN TO before me this 28<sup>th</sup> day of December, 2011, in the County of Crawford, State of Kansas.

My Commission Expires: 8/16/2012

  
Notary Public